
From: Gerry Henderson [Gerry.Henderson@tie.ltd.uk]
Sent: 13 October 2005 08:57
To: Fitzgerald, Sharon; Willie Fraser; Jim Cahill
Cc: Ian Kendall; David Ramsay
Subject: RE: C4 costs

Thanks for your advice Sharon,

We are awaiting SDS proposals for moving forward. If anything is omitted we shall vary in accordance with standard post contract practice. Jim Cahill will lead the post contract commercial management therefore all commercial queries shall be filtered through Jim.

Procurement issue through myself as per SDS, TSS.

Cheers,

Gerry.

From: Fitzgerald, Sharon [mailto:Sharon.Fitzgerald@dlapiper.com]
Sent: 10 October 2005 16:23
To: Gerry Henderson; Willie Fraser
Cc: Ian Kendall; David Ramsay; Fitchie, Andrew; Salwan, Anita
Subject: RE: C4 costs

Dear All

The SDS Provider will have included in his price for preparing the C4 cost schedules. Within the bills of quantities in the SDS Agreement, there was a requirement to price the work associated with utilities.

Agreements which were executed after the SGN and Scottish Water Agreements, now refer to the SDS Provider being involved in making a request to the utilities to provide costing information. If PB (or tie on behalf of PB) request this type of information from any of the utilities, the cost of the utility preparing this information will be payable by PB - the logistics of payment could be payment by tie to the utility (as PB is not a party to the utility agreements) then deduction from PB - Gerry would be able to better advise what would happen in practice.

As far as the provision of other services by the utilities is concerned (eg commissioning work, review of the SDS design etc), these services will be payable by tie and I believe have not been costed by PB. There is an obligation on the SDS Provider to obtain Consents (which would include any consents and agreements with third parties required by Law or under contract) at its own cost, so the work by the SDS Provider associated with the SDS producing the design (which will go through the design review procedure) is included in the PB price.

Sharon

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From: Gerry Henderson [mailto:Gerry.Henderson@tie.ltd.uk]
Sent: 10 October 2005 11:59
To: Fitzgerald, Sharon; Willie Fraser
Cc: Ian Kendall; David Ramsay; Fitchie, Andrew; Salwan, Anita
Subject: RE: C4 costs

Willie, and Team,

The SDS are responsible for spatial design and producing schedules to be priced for utilities. The C4 estimates have been anticipated to inform quantities to be included in Tender Documents. Risk is with SDS and although Jim/Willie would look at potential variations (negative value) should C4 estimates not be (fully) required by SDS.

We have written to two utilites to prepare them for contact with PB.

Hope this helps,

Gerry.

From: Fitzgerald, Sharon [mailto:Sharon.Fitzgerald@dlapiper.com]
Sent: 07 October 2005 17:40
To: Willie Fraser
Cc: Ian Kendall; Gerry Henderson; David Ramsay; Fitchie, Andrew; Salwan, Anita
Subject: RE: C4 costs

Willie

Gerry has asked me to look at a few issues which Barry has raised on the SDS Agreement. At the same time as looking at these, I shall consider the points raised by George. I suggest that Tom, Gerry and Anita should also be involved.

I shall come back to you on Monday with our thoughts.

Have a good weekend.

Sharon

PS Did you mean to copy Andrew Oldfield into your e-mail ?

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From: Willie Fraser [mailto:Willie.Fraser@tie.ltd.uk]
Sent: 07 October 2005 17:03
To: Fitzgerald, Sharon
Cc: Ian Kendall; Gerry Henderson; David Ramsay; Oldfield, Andrew J
Subject: FW: C4 costs

Sharon,

That was great night last night. Thanks very much.

Sorry to revert to work so suddenly, but I think George has raised a couple of points below which could do with your insight. Or maybe it's issue for Gerry or Tom?

Let me know what you think.

Willie

From: George Tedbury - TSS
Sent: 07 October 2005 13:31
To: Willie Fraser
Cc: Tom Blackhall
Subject: C4 costs

Willie,

Ref our conversation just before lunch, I am interested to know how SDS fits into the relationship with the PU companies. This stems from the many references that have been made to the possibility that tie may end up paying twice for work done on the 'C4 estimates'.

In practical terms we consider that the PUs will need to be heavily involved with the designs and costing. It is unlikely that the SDS could do the work without the PU's assistance, and it is likely that they would actually get the PU to do it. This arrangement would probably be in tie's best interest anyway since the PU is then going to have confidence in the process and the PU is best able to optimise the design of their equipment and so minimise costs. SDS's role would be to coordinate the overall design.

The SDS brief (3.2.1) requires them to "provide assistance to tie with the management of preparing C4 cost schedules". If this means they have to prepare the schedules, or (more likely) commission the PUs to prepare the schedules, and bear the cost, their price may include both their costs and those of the PUs.

The tie agreement with Scottish Water, clause 6.3.1, says that tie have to pay for work done by the PU under clauses 4 & 5, which is essentially all the design and construction monitoring work that they may have to do.

What is not clear to me is whether the SDS have, or should have, allowed for paying the PUs' costs in their price. If so, are they required to pay all the PUs' costs, or only those related to work which they specifically ask the PU to do on their behalf? Can tie require the SDS to pay certain costs, or under the terms of their agreements with the PUs do tie have to pay directly and try to recover anything which they consider was SDS's responsibility?

As discussed, after looking briefly at the SDS agreement, I couldn't see anything that resolved these points.

Regards,

George

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